

**Northeast Louisiana Virtual Clinic, Inc.**

**Financial Statements  
As of and For the Years Ended  
December 31, 2010 and 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 21 2011

# **Northeast Louisiana Virtual Clinic, Inc.**

**As of and For the Years Ended  
December 31, 2010 and 2009**

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# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

### Board of Directors

### Northeast Louisiana Virtual Clinic, Inc.

We have audited the accompanying statements of financial position of **Northeast Louisiana Virtual Clinic, Inc.** (a non-profit organization, NLVC) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of NLVC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NLVC as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2011 on our consideration of NLVC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

*Luffey, Huffman, Ragsdale, & Soignier*

(A Professional Accounting Corporation)

June 28, 2011

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

		December 31, 2010		
		Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$	40,643	\$ -	\$ 40,643
Accounts receivable		-	74,953	74,953
Prepaid expenses		3,935	-	3,935
Total current assets		<u>44,578</u>	<u>74,953</u>	<u>119,531</u>
<b>Property, plant, &amp; equipment</b>				
Furniture and equipment		19,325	-	19,325
Total property, plant, & equipment		19,325	-	19,325
Less: accumulated depreciation		(2,263)	-	(2,263)
Net property, plant, & equipment		<u>17,062</u>	<u>-</u>	<u>17,062</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>61,640</u></b>	<b><u>\$ 74,953</u></b>	<b><u>\$ 136,593</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable	\$	5,357	\$ -	\$ 5,357
Accrued payroll liabilities		1,742	-	1,742
Total liabilities		<u>7,099</u>	<u>-</u>	<u>7,099</u>
<b>Net Assets</b>				
Unrestricted		54,541	-	54,541
Temporarily restricted		-	74,953	74,953
Total net assets		<u>54,541</u>	<u>74,953</u>	<u>129,494</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>61,640</u></b>	<b><u>\$ 74,953</u></b>	<b><u>\$ 136,593</u></b>

The accompanying notes are an integral part of these financial statements.

**December 31, 2009**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 63,232	\$ -	\$ 63,232
-	37,453	37,453
1,935	-	1,935
<u>65,167</u>	<u>37,453</u>	<u>102,620</u>
2,389	-	2,389
2,389	-	2,389
(40)	-	(40)
<u>2,349</u>	<u>-</u>	<u>2,349</u>
<u>\$ 67,516</u>	<u>\$ 37,453</u>	<u>\$ 104,969</u>

\$ 635	\$ -	\$ 635
-	-	-
<u>635</u>	<u>-</u>	<u>635</u>
66,881	-	66,881
-	37,453	37,453
<u>66,881</u>	<u>37,453</u>	<u>104,334</u>
<u>\$ 67,516</u>	<u>\$ 37,453</u>	<u>\$ 104,969</u>

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**STATEMENTS OF ACTIVITIES**

	<b>Year Ended December 31, 2010</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenues</b>			
Foundation grants	\$ 62,500	\$ 67,500	\$ 130,000
Public support	-	-	-
Net assets released from restrictions	30,000	(30,000)	-
Total revenues	<u>92,500</u>	<u>37,500</u>	<u>130,000</u>
<b>Expenses</b>			
Program services			
Client enrollment and placement	76,668	-	76,668
Supporting services			
General and administrative	<u>28,172</u>	<u>-</u>	<u>28,172</u>
Total expenses	<u>104,840</u>	<u>-</u>	<u>104,840</u>
<b>Increase (Decrease) in Net Assets</b>	(12,340)	37,500	25,160
<b>Net Assets at Beginning of Year</b>	<u>66,881</u>	<u>37,453</u>	<u>104,334</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 54,541</u>	<u>\$ 74,953</u>	<u>\$ 129,494</u>

The accompanying notes are an integral part of these financial statements.

**Year Ended December 31, 2009**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 81,407	\$ 37,453	\$ 118,860
1,010	-	1,010
-	-	-
<u>82,417</u>	<u>37,453</u>	<u>119,870</u>
-	-	-
15,536	-	15,536
15,536	-	15,536
66,881	37,453	104,334
-	-	-
<u>\$ 66,881</u>	<u>\$ 37,453</u>	<u>\$ 104,334</u>

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
<b>Cash flow from Operating Activities:</b>		
Increase in net assets	\$ 25,160	\$ 104,334
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	2,223	40
Changes in assets and liabilities		
Accounts receivable	(37,500)	(37,453)
Prepaid expenses	(2,000)	(1,935)
Accounts payable	5,357	-
Payroll liabilities	1,742	-
Other current liabilities	(635)	635
Total adjustments	<u>(30,813)</u>	<u>(38,713)</u>
Net cash provided (used) by operating activities	<u>(5,653)</u>	<u>65,621</u>
<b>Cash flow from Investing Activities:</b>		
Purchase of property, plant, & equipment	<u>(16,936)</u>	<u>(2,389)</u>
Net cash used by investing activities	<u>(16,936)</u>	<u>(2,389)</u>
Net increase (decrease) in cash and cash equivalents	(22,589)	63,232
Cash - beginning of year	<u>63,232</u>	<u>-</u>
Cash - end of year	<u>\$ 40,643</u>	<u>\$ 63,232</u>

The accompanying notes are an integral part of these statements.



**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General and Administrative</u>	<u>Program Services Client Enrollment and Placement</u>	<u>Total</u>
Salaries and wages	\$ 2,083	\$ 23,584	\$ 25,667
Payroll taxes and fringe	243	1,699	1,942
Total salaries and related expenses	<u>2,326</u>	<u>25,283</u>	<u>27,609</u>
Advertising	620	5,581	6,201
Consultants	14,063	29,688	43,751
Insurance	1,161	1,161	2,322
Internet	755	755	1,510
Miscellaneous	192	-	192
Office supplies	3,059	3,059	6,118
Postage	278	833	1,111
Printing and publications	268	2,412	2,680
Project supplies	-	3,706	3,706
Rent	1,796	1,796	3,592
Software maintenance	392	392	784
Travel and training	69	69	138
Utilities and telephone	821	821	1,642
Volunteer recognition	1,261	-	1,261
Total	<u>27,061</u>	<u>75,556</u>	<u>102,617</u>
Depreciation	<u>1,111</u>	<u>1,112</u>	<u>2,223</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ <u>28,172</u></b>	<b>\$ <u>76,668</u></b>	<b>\$ <u>104,840</u></b>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General and <u>Administrative</u></b>
Consultants	\$ 12,500
Insurance	387
Miscellaneous	755
Office	297
Postage	112
Telephone and Utilities	681
Travel and Training	<u>764</u>
Total	15,496
Depreciation	<u>40</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ <u>15,536</u></b>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 1 - Summary of Significant Accounting Policies**

*A. Organization*

The Northeast Louisiana Virtual Clinic, Inc. (NLVC) was incorporated under the laws of the State of Louisiana in October, 2008 for the purpose of securing comprehensive healthcare services for the low income, working uninsured population of an eight parish area of northeast Louisiana.

*B. Basis of Presentation and Accounting*

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

The financial statements of NLVC are presented as recommended by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. Under FASB ASC 958-205, NLVC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2010 and 2009, NLVC had temporarily restricted net assets of \$74,953 and \$37,453, respectively, and no permanently restricted net assets.

*C. Cash and Cash Equivalents*

For purposes of the Statement of Cash Flows, NLVC considers time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.

*D. Contributions*

NLVC has adopted FASB ASC 958-205, "Not For Profit Entities-Revenue Recognition." In accordance with FASB ASC 958-205, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

*E. Property, Plant, and Equipment*

NLVC capitalizes all expenditures for property, plant, and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. At December 31, 2010 and 2009, property, plant, and equipment consisted of office furniture and equipment which was being depreciated over periods from 5 – 7 years. Depreciation expense was \$2,223 in 2010 and \$40 in 2009.

*F. Tax Status*

NLVC has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

*G. Net Assets*

Net assets are reported as either temporarily or permanently restricted when there are limitations imposed on their use by donors. Temporarily restricted net assets at December 31, 2010 and 2009 represent net assets which, due to the timing of their future receipt, cause their use to be restricted.

*H. Advertising Costs*

NLVC incurs advertising costs as part of its search for potential clients and promotion of its services. All advertising costs are expensed when incurred. Total advertising cost was \$6,201 in 2010. No advertising costs were incurred during 2009.

*I. Functional Allocation of Expenses*

Program service expenses are those directly related to the purposes for which NLVC exists. Supporting services expenses reflect other expenses incurred in operating the programs. Various operating expenses not directly connected with specific functions or program services are allocated to supporting services. The direct cost of providing the various programs and other activities have been summarized in the statements of activities.

*J. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates.

**Note 2 - Accounts Receivable**

The entire amount of accounts receivable at December 31, 2010 and 2009 consist of the remaining balance of a grant agreement with the Living Well Foundation. The entire balance is considered to be collectible within the following fiscal year, therefore, no allowance for doubtful accounts has been established.

**Note 3 - Leases**

During 2010, NLVC entered into a lease for office space. The lease is for one 12-month period and calls for monthly installments of \$15 per square foot. Total lease expense for 2010 was \$3,592. The lease calls for future minimum payments of \$10,778 to be made during 2011.

**Note 4 - Concentrations**

Substantially all of NLVC's revenues are derived from a grant from the Living Well Foundation.

**Note 5 - Subsequent Events**

Subsequent events have been evaluated through June 28, 2011 and it has been determined that no significant events have occurred for disclosure. June 28, 2011 is the date that the financial statements were available to be issued.

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### Board of Directors Northeast Louisiana Virtual Clinic, Inc.

We have audited the financial statements of **Northeast Louisiana Virtual Clinic, Inc.** (a nonprofit organization, NLVC) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### *Internal Control over Financial Reporting*

In planning and performing our audit, we considered NLVC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NLVC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NLVC's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Board of Directors  
Northeast Louisiana Virtual Clinic, Inc.**

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether NLVC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management of Northeast Louisiana Virtual Clinic, Inc., the Board of Directors, others within the entity, entities granting funds to NLVC, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Luffey Huffman, Reynolds & Squires*

(A Professional Accounting Corporation)

June 28, 2011

**NORTHEAST LOUISIANA VIRTUAL CLINIC, INC.**  
**SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, Ragsdale & Soignier, (APAC) audit report and management letter dated December 16, 2010, covering the audit of the financial statements of Northeast Louisiana Virtual Clinic, Inc. (NLVC) as of and for the year ended December 31, 2009.

**Finding 09-01 - Financial statements were not audited or submitted timely to the proper agencies**

Louisiana Revised Statute 24:513 required that NLVC prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of its most recent fiscal year.

***Status:***

This issue has been resolved.

**Management Letter – Documentation of internal control**

It was recommend that management document the internal control over financial reporting using the COSO framework or such other framework as might prove useful in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time.

***Status:***

This issue has been resolved.